



U.S. ECONOMIC ASSISTANCE PROGRAM IN EGYPT

**CONFORMED
COPY**

USAID Grant Agreement No.263-0286

SECOND AMENDMENT

TO

STRATEGIC OBJECTIVE AGREEMENT

BETWEEN THE

ARAB REPUBLIC OF EGYPT

AND THE

UNITED STATES OF AMERICA

FOR

BASIC EDUCATION

Dated: 30 SEP 2004

"Certified to be a true copy of the original document signed by Ambassador C. David Welch, and Fayza Aboulnaga Minister of International Cooperation

Monica Smith
Monica Smith
Legal Advisor

FUNDS RESERVED / OBLIGATED	
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By HA BSA	MAOS Date 09/30/09

Second Amendment ("Amendment"), dated 30 SEP 2004 to the Strategic Objective Grant Agreement ("Grant Agreement"), dated September 30, 2002, between the Arab Republic of Egypt ("A.R.E." or "Grantee") and the United States of America, acting through the United States Agency for International Development ("USAID") (collectively, the "Parties") for Basic Education.

SECTION 1. The Grant Agreement is hereby amended as follows:

A. Article 2, Section 2.2, Paragraphs (1) – (5) are deleted in their entirety and replaced by:

- "1. Expanded access for girls and women;
2. Improved Instructional Methods; and
3. Public participation in education enabled."

B. Article 3, Section 3.1(a) is amended by deleting "Seventy Two Million Four Hundred Ten Thousand United States ("U.S.") Dollars (\$72,410,000)" and substituting "One Hundred and Five Million Nine Hundred Nine Thousand United States ("U.S.") Dollars (\$105,909,000)" therefor.

C. Article 3, Section 3.1(b) is amended by deleting "Seventy Two Million Four Hundred Ten Thousand U.S. Dollars (\$72,410,000)" and substituting "Two Hundred

Thirty Two Million Four Hundred Sixty Thousand U.S. Dollars (\$232,460,000)" therefor.

D. Article 3, Section 3.2 (b) is amended by deleting "Two Hundred Thirty Million Seven Hundred Forty Two Thousand Egyptian Pounds (L.E. 230,742,000)" and substituting "Five Hundred Fourteen Million Six Hundred Thousand Egyptian Pounds (L.E. 514,600,000)" therefor.

E. Article 7, Section 7.1 is amended by deleting "To the A.R.E.: Ministry of Foreign Affairs, Department of Economic Cooperation with USA, International Cooperation Sector" and substituting "To the A.R.E.: Ministry of International Cooperation, Department of Economic Cooperation with USA" therefor.

F. Article 7, Section 7.2 is amended by:

1. Deleting from the first sentence "Minister of State for Foreign Affairs and/or the Administrator of the Department for Economic Cooperation with U.S.A., International Cooperation Sector" and substituting "Minister of International Cooperation and/or the Administrator of the Department for Economic Cooperation with U.S.A." therefor.

2. Deleting from the second sentence "Minister of State for Foreign Affairs" and substituting "Minister of International Cooperation" therefor.

G. Annex I of the Grant Agreement is deleted in its entirety and replaced by the Annex I attached hereto.

SECTION 2. Language of Amendment. This Amendment is prepared in both English and Arabic. In the event of ambiguity or conflict between the two versions, the English language version will prevail.

SECTION 3. Except as specifically amended or modified herein, the Grant Agreement shall remain in full force and effect in accordance with all of its terms.

SECTION 4. Ratification. The A.R.E. will take all necessary action to complete all legal procedures necessary for ratification of this Amendment and will notify USAID as promptly as possible of the fact of such ratification.

SECTION 5. Effectiveness. This Amendment shall enter into force when signed by both Parties hereto.

IN WITNESS WHEREOF, the Arab Republic of Egypt and the United States of America, each acting through its respective duly authorized representatives, have caused this Amendment to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

BY: 

NAME: Fayza Aboulnaga

TITLE: Minister of International
Cooperation

UNITED STATES OF AMERICA

BY: 

NAME: C. David Welch

TITLE: Ambassador

BY: 

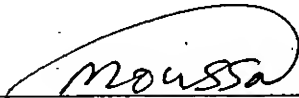
NAME: Kenneth C. Ellis

TITLE: Director,
USAID/Egypt

Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representative of the implementing organization has subscribed his name:

BY:



NAME: Dr. Ahmed Gamal El Din

TITLE: Minister of Education

Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representative of the implementing organization has subscribed his name:

BY: A. E. SALAMA

NAME: Dr. Amr Salama

TITLE: Minister of Higher Education &
Minister of State for
Scientific Research

Annex 1
Amplified Program Description
For Improved Access to Quality Education
Strategic Objective Grant Agreement

I. INTRODUCTION

This Annex 1 describes the activities to be undertaken and the Results to be achieved with the funds obligated under this Agreement. Nothing in this Annex 1 shall be construed as amending any of the definitions or terms of the Agreement and all of the definitions set forth in the Agreement shall apply to this Annex. Within the limits of the definitions of the Objective and Results in Section 2.1 and Section 2.2, this Annex 1 may be changed by written agreement of the authorized representatives of the Parties without formal amendment of the Agreement.

II. BACKGROUND

A. Problem

Quality education is essential for Egypt's successful participation in a global economy, and for improvements in the quality of life for disadvantaged groups such as rural and poor female children of primary and preparatory school age. Improvements in the quality of teaching and in examination, evaluation and teacher support systems, as well as increased enrollment and retention rates in disadvantaged areas, are all necessary. Also important are improving students' critical-thinking skills, increased parental participation in local school management, and less crowded classrooms. Those living in underserved rural areas need additional support to successfully build girls' life-skills, to extend basic skills to second chance learners who have dropped out of the system, and to reduce the high illiteracy rate, especially among girls and women. New relationships between government, non-governmental organizations, private sector, communities, and families must be forged to address all of these needs.

B. Ongoing Program

Significant funds were obligated previously under the Girls' Education grant agreement. For purposes of achieving the mutually agreed upon results identified in that agreement, the funds remaining under that agreement continue to be available until completely expended; accounting for and programming such funds will continue to be governed by the terms of the respective agreement.

C Other Donor Activities

The principal donors, international institutions, and working groups involved in this sector include the World Bank, the United Nations System, the International Monetary Fund, the European Commission, African Development Bank, and the Canadian International Development Agency. Also, there are groups of donors active in education and English language training which meet on a regular basis.

III. STRATEGIC OBJECTIVE

A. The Objective

USAID will provide its assistance through this Strategic Objective Grant Agreement (SOAG), which documents expected objectives, results and activities. The Objective, "Improved Access to Quality Education" describes this USAID program effort. It will focus on: (a) teaching, supervision, and school administration training; (b) community mobilization for school and student support; (c) private sector involvement; (d) improved quality and capacity for English language teaching; (e) basic education scholarships and life-skills; (f) school readiness and parental education programs; (g) decentralized governance and management, and (h) school establishment and classroom construction, where necessary. Progress toward the achievement of the Objective, as measured by the indicators and targets presented below, will be a major factor in allocating funding for this program.

B. Beneficiaries

The ultimate beneficiaries of this program will be primary, preparatory, and some general and technical secondary school students, out-of-school children, and young people up to the age of 25 in the targeted areas of Minya, Beni Suef, Fayoum, Alexandria, Cairo, Aswan and Qena. Nationwide, the program will also serve pre-school children aged 3-5 and young women and men aged 9-25 who have started their reproductive lives, and will provide parental education and training. Particular attention will be paid to intermediaries who immediately affect the child beneficiaries, including teachers, trainers, supervisors, school principals, and faculty and student teachers at Faculties of Education (FOEs). Ministry of Education (MOE) and Government of Egypt (GOE) personnel at all levels within the focus governorates, as well as staff of implementing partners, non-governmental organizations (NGOs), and Community Development Associations (CDAs) also will benefit.

IV. RESULTS

USAID assistance under this Agreement will focus on three (3) results which contribute to the achievement of the Objective. Several of the targets and baselines for these results are to be determined. The results are: (1) expanded access for girls and women; (2) improved instructional methods; and (3) public participation in education enabled.

Result I: Expanded access for girls and women

This result measures success in improving community mobilization for local school management (with women playing leadership roles) and supporting school construction. It also tracks scholarships to girls in targeted areas, and support for the monitoring of girls' health and well being.

- Annual number of girls and women receiving education and training through USAID-funded programs.
(2000 baseline: 7,207; planned 2009 target: TBD)
- Annual number of girls' scholarships awarded.
(2004 baseline: 14,278; planned 2009 target: 35,125)
- Percentage of girls, ages 6-10, attending primary school in rural, Upper Egypt.

(2002 baseline: 74%; planned 2009 target: TBD)

- Percentage of girls ages 11-15, attending preparatory school in rural, Upper Egypt.

(2000 baseline: 61.6%; planned 2009 target: 80.5%)

Result II: Improved instructional methods

This result measures success in providing access, quality student-teacher (pre-service) and on-the-job teacher (in-service) training for using child-centered methodology, and improved English language instruction nationwide. The result will also measure success in strengthening the MOE and the Ministry of Higher Education (MOHE) to sustain improved quality of teacher training systems, building the capacity of their relevant training entities, supporting the Education Reform Program Pilot. The main indicators of achievement of this result include:

- Pass rate (percentage) of primary school children in USAID-funded schools and programs (disaggregated by gender).
(2000 baseline: F(98.5%) M (N/A); planned 2009 target: TBD)
- Annual number of teachers and school officials trained in reform governorates.
(2005 baseline: TBD; planned 2009 target: TBD)
- Number of FOEs that have developed national education standards for teachers in reform governorates.
(2005 baseline: 0; planned 2009 target: 9)
- Percentage of students in the Family of Schools instructed by teachers utilizing MOE developed national education standards.
(2005 baseline: TBD; planned 2009 target: TBD)

Result III: Public participation in education enabled

This result measures success in building the capacity of local NGOs and CDAs, creating collaborative, local partnerships and joint implementation with CDAs to implement formal and non-formal programs for poor girls, to build literacy and numeracy skills, promote girls' education, and encourage sound health and hygiene practices. The result will

also measure success in linking the education sector to the private sector in partnership to improve relevance of education to every day life and work, and the success in linking working aged youth to career development and employment opportunities. The main indicators of achievement of this result include:

- Number of CDAs, NGOs, Parent/Teacher Councils, Community Education Teams and private sector groups supporting USAID reform programs.
(2000 baseline: 84; planned 2009 target: TBD)
- Number of School-to-Work (STW) partnerships between technical schools and businesses).
(2005 baseline: TBD; planned 2009 target: TBD)

V. ACTIVITIES

In order to satisfy U.S. legal requirements, activities must meet essential selection criteria. These include demonstrated conformity with the objective, a clear relationship with the intended result, the measurability of results and distinct identity of the activity, and proposed costs which are commensurate with anticipated benefits.

To achieve the Results presented in Section IV of this Annex 1, USAID and the GOE agree that GOE ministries, contractors, U.S. and international grantees, and Egyptian NGOs will carry out the projects and activities described below.

The planned level of assistance shown below for each project is subject to the achievement of performance standards, the availability of funds to USAID for this purpose, and the mutual agreement of the Parties to proceed at the time each increment is provided.

I. Education Reform Program

Education Reform Program interventions contribute to Results I, II, and III above. The interventions will focus on improving the quality of education while incorporating management and administrative reforms at the governorate and local school level. The purpose is to demonstrate how decentralization can be achieved and its impact on improving the quality of

education through implementation of systemic changes in the education system. Education reform interventions will be implemented in the seven focus governorates of Minya, Beni Suef, Fayoum, Alexandria, Cairo, Aswan and Qena where strong support for undertaking decentralized reforms exists.

Included in the reform efforts are school construction and community mobilization components, targeting children ages 6 to 14 who have never enrolled in or have dropped out of school. Community mobilization is a means to create awareness of the importance of education, particularly for girls, and to involve the community in the implementation of the Education Reform Program.

Currently, a total of 30 primary, preparatory and secondary schools will be targeted in the East and West Districts of Alexandria, which serves as the first focus governorate. An additional 20-40 schools will be targeted in each of the seven focus governorates.

In addition, the reform efforts will focus on developing models of School To Work (STW) transition systems in the seven target Governorates of Alexandria, Cairo, Fayoum, Beni Suef, Minya, Qena and Aswan. The development of the STW transition systems will facilitate the creation of private/public partnerships that will be instrumental in supporting and bringing STW programs to secondary school students, with special emphasis on technical education. These programs will provide targeted youth with market relevant skills and work habits that employers seek, and at the same time link them to potential job opportunities.

The counterparts for this activity will be the Ministries of Education and Higher Education and Scientific Research. Implementing partners include: the Governorate of Alexandria, the Alexandria Development Center, the Governorate of Cairo, the Governorate of Minya, the Governorate of Aswan, the Governorate of Beni Suef, the Governorate of Qena and the Governorate of Fayoum, in addition to the Education Directorates and local communities at the governorate level. Partners include CARE (extension to the New School Program grant), Academy for Education Development (AED), American Institute for Research (AIR), and others to be determined.